

August 31, 2015

William and Linda Kozak  
Tower Standard Service  
8760 W Squaw Lake Rd  
Lac Du Flambeau, WI 54538-9517

RE: **Cost Cap Approved with Variance for Soil Phase Site Investigation Activity**

**PECFA # 54538-9517-67-A DNR BRRTS # 03-64-127899**  
Tower Standard, 14267 State Hwy 70 W, Lac Du Flambeau

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On August 20, 2015, the Wisconsin Department of Natural Resources (Department) received a scope of work (SOW) and cost estimate utilizing the chapter NR 747, Wisconsin Administrative Code, Usual and Customary Cost Schedule (Cost Schedule) for the site referenced above.

The Department has determined that the submitted SOW is reasonable and **approves** the additional costs. This site will be deferred from the public bidding process at this time. The Department will contact you if this site will be bid in the future.

Costs approved are for the Soil Phase Site Investigation work and associated PECFA cost request for conducting a thorough soil site investigation of contamination on and/or impacting the Tower Standard site and down gradient parcels. A copy of the Department worksheet for Cost Schedule tasks is enclosed for your reference.

**Deferment Cost Cap Approved:**

**\$26,540.82**

Be reminded that ch. NR 700 semi-annual progress reporting is required until this case is closed.

**Note:** Per the recently enacted State budget (Wisconsin Act 55), a claim for PECFA reimbursement must be submitted within 180 days of incurring costs (i.e., completing a task), or by February 1, 2016, whichever is later. If a claim for costs incurred is not submitted within these deadlines, the costs will not be eligible for PECFA reimbursement. If you need assistance with filing your claim, please contact Tim Prosa at (608) 261-7715.

Usual and customary costs for activities included in this approval will only be reimbursed at a rate equal to or less than what is allowed on the Cost Schedule, and are reimbursed based upon the Cost Schedule that is in effect at the time the activity is performed. Costs for activities not included in this approval are not reimbursable without prior Department authorization.

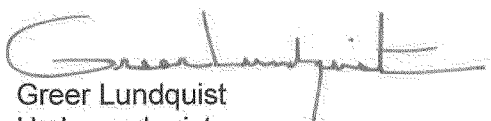
Regulatory Correspondence (Task 7, Activity RC05), Claim Submittal (Task 27, Activity CS05) and Standardized Invoice (Task 28, Activity SI05) costs are not included in the cap approved above. These activities will be reimbursed according to the task specifications and with submittal of proper supporting documentation at claim review time.

**The Department approves a variance from the Cost Schedule for the additional tasks needed for the completion of the soil phase site investigation.** Do not include the variance cost (\$11,437.22) on the standardized invoice for usual and customary cost activities. Submit the cost of variance on a separate company invoice. When you submit the claim for these costs, please attach a copy of this letter and the attached worksheet for the claim reviewer's reference. The Department waives the commodity three-bid requirement with this variance approval.

The Department considers the consultant the primary controller of costs during these activities. This approval does not guarantee eligibility of any specific costs that have been incurred or that may be incurred in the future. Final determination regarding the eligibility of costs will be made by the claim reviewer when the entire claim, including all invoices and reports, is submitted for payment.

Thank you for your efforts to protect Wisconsin's environment. If you have any questions, please contact me in writing at the letterhead address or by telephone at (715) 365-8970.

Sincerely,



Greer Lundquist  
Hydrogeologist  
Remediation and Redevelopment Program

Enclosure: Usual and Customary Standardized Invoice #18 – Soil Phase SI 2015

cc: Dave Larson, REI Engineering Inc.  
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